

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY PARIS

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY THE HAGUE

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

USMISSION IAEA VIENNA

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E.O. 11652: N/A

TAGS: TGEN, TECH, EC

SUBJECT: URANIUM ENRICHMENT COOPERATION

REF: STATE 233866, PARIS 31493

1. PIERRE WYART, GENERAL MANAGER, ORGANIZATION OF NUCLEAR

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ENERGY PRODUCERS (OPEN) SENT FOLLOWING LETTER TO CHAIRMAN, USAEC
ON DECEMBER 3:

"THE ECONOMIC INTEREST GROUP, 'ORGANIZATION OF NUCLEAR ENERGY

PRODUCERS' (OPEN) WAS CREATED ON DECEMBER 1, 1973, IN PARIS. IT INCLUDES, AS OF NOW, ALL THE ELECTRIC POWER PRODUCERS OF BELGIUM, SPAIN, FRANCE AND SWITZERLAND. OTHER PRODUCERS OF ELECTRIC POWER, UNABLE TO CONFIRM THEIR PARTICIPATION IMMEDIATELY FOR ADMINISTRATIVE OR LEGAL REASONS, HAVE ASKED TO BE ASSOCIATE MEMBERS. THESE ARE THE POWER PRODUCERS OF AUSTRIA, ITALY AND HOLLAND.

"THE REQUIREMENTS IN SEPARATIVE WORK UNITS NOT YET COVERED BY EXISTING CONTRACTS WILL BE, FOR MEMBERS OF OUR GROUP, APPROXIMATELY 6 MILLION KILOGRAM UNITS IN 1980 AND 15 MILLION KILOGRAM UNITS IN 1985. OPEN REMAINS OPEN TO ALL EUROPEAN PRODUCERS OF NUCLEAR ENERGY WISHING TO BECOME MEMBERS OR ASSOCIATE MEMBERS.

"I HAVE BEEN APPOINTED GENERAL MANAGER OF OPEN. IT IS IN THIS CAPACITY, AND IN ACCORDANCE WITH THE UNANIMOUS WISH OF ALL THE PARTICIPANT MEMBERS AND ASSOCIATE MEMBERS, THAT I HAVE BEEN REQUESTED TO REPLY TO THE TELEX WHICH MR. HOLLINGSWORTH SENT ME ON NOVEMBER 16, 1973. THIS IS THE OBJECT OF THIS LETTER.

"INFORMED OF THE RECENT CONTACTS WHICH HAVE DEVELOPED WITH THE USAEC AND WITH EURODIF, ALL MEMBERS OF OPEN WERE UNANIMOUS IN EXPRESSING THE WISH THAT DISCUSSIONS BE INITIATED, WITH THE DIRECT PARTICIPATION OF EUROPEAN POWER UTILITIES, WITH A VIEW TOWARD THE CONSTRUCTION OF A LARGE GASEOUS DIFFUSION PLANT BY EURODIF IN COOPERATION WITH THE USAEC.

"IN ORDER THAT THIS PROJECT MAY BE CAREFULLY EXAMINED IN FORTHCOMING DISCUSSIONS, THE EUROPEAN POWER PRODUCERS CONSIDER IT ABSOLUTELY NECESSARY THAT THE TIME LIMIT OF DECEMBER 31, 1973, ESTABLISHED BOTH BY THE USAEC AND BY EURODIF FOR THE SIGNING OF CERTAIN CONTRACTS, BE, AS A FIRST STEP, POSTPONED BY AT LEAST 3 MONTHS AND THAT THE AEC ACCEPT, SHOULD SUCH COOPERATION COME ABOUT, THAT ANY FUTURE LONG-TERM CONTRACTS SIGNED WITH THE AEC COULD, ON REQUEST OF THE OPEN MEMBER CUSTOMER, BE TRANSFERRED TO THE EUROPEAN PLANT TO THE LIMITED OFFICIAL USE
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EXTENT NECESSARY TO ENSURE FULL CAPACITY OPERATION.

"PLEASE FIND ENCLOSED A COPY OF MY LETTER TO MR. PECQUEUR, PRESIDENT OF EURODIF, ON THE SAME SUBJECT.

"I WOULD LIKE TO REITERATE THE EXPRESSION OF OUR DESIRE THAT A COLLABORATION DEVELOP IN THE FIELD OF URANIUM ENRICHMENT BETWEEN THE UNITED STATES AND EUROPE. WE WOULD APPRECIATE YOUR LETTING US KNOW IF YOU VIEW THIS PROSPECT FAVORABLY AND, IN THE AFFIRMATIVE, CONFIRMING YOUR EXPLICIT AGREEMENT TO POSTPONE NOW, BY 3 MONTHS, THE DEADLINE OF DECEMBER 31, 1973, DECIDED BY YOU AND PUBLISHED IN THE FEDERAL REGISTER."

2. AEC GENERAL MANAGER (ERLEWINE, ACTING) REPLIED AS FOLLOWS ON DECEMBER 7:

"WE WERE INTERESTED TO LEARN OF THE FORMATION OF THE 'ORGANIZATION OF NUCLEAR ENERGY PRODUCERS' (OPEN) AND OF THE PLANS BY THIS GROUP, AS OUTLINED IN YOUR LETTER TO CHAIRMAN RAY OF DECEMBER 3, 1973, FOR MEETING ITS REQUIREMENTS FOR ENRICHING SERVICES BEYOND THOSE COVERED BY EXISTING CONTRACTS. YOU MAY BE ASSURED THAT THE AEC IS PREPARED TO PARTICIPATE IN EXPLORATORY DISCUSSIONS AT AN EARLY DATE ON THE POSSIBLE UTILIZATION OF U.S. GASEOUS DIFFUSION TECHNOLOGY IN A EUROPEAN ENRICHMENT PLANT.

"IN THIS REGARD, HOWEVER, IT SHOULD BE RECALLED THAT IN MR. HOLLINGSWORTH'S NOVEMBER 16 CABLE TO YOU, HE STATED: 'IN ORDER TO PROCEED ANY FURTHER WE BELIEVE THAT IT WILL BE NECESSARY FOR THE GOVERNMENTS INVOLVED TO PARTICIPATE IN THE DISCUSSIONS.' TO DATE, THIS CONDITION HAS NOT BEEN FULFILLED. SUCH PARTICIPATION COULD TAKE PLACE EITHER DIRECTLY OR THROUGH FORMAL NOTICE TO THE UNITED STATES BY EACH GOVERNMENT INVOLVED THAT IT HAS AUTHORIZED ITS UTILITY OR UTILITIES TO UNDERTAKE SUCH DISCUSSIONS. AS WE HAVE EXPLAINED PREVIOUSLY, THIS STEP IS NECESSARY SINCE ANY TRANSFER OF U.S. GASEOUS DIFFUSION TECHNOLOGY COULD TAKE PLACE UNDER OUR LAW ONLY PURSUANT TO APPROPRIATE, FORMAL INTER-GOVERNMENTAL AGREEMENTS BETWEEN THE UNITED STATES AND EITHER THE GOVERNMENTS OF THE PARTICIPATING EUROPEAN NATIONS OR THE EUROPEAN COMMUNITY.

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"YOUR LETTER IDENTIFIED THE REQUESTS OF THE EUROPEAN POWER PRODUCERS FOR: (A) POSTPONEMENT BY AT LEAST THREE MONTHS OF THE DEADLINE DATE OF DECEMBER 31, 1973, FOR EXECUTION OF CONTRACTS WITH AEC BY THOSE UTILITIES WHO REQUIRE INITIAL DELIVERIES PRIOR TO JULY 1, 1978; AND (B) AGREEMENT BY AEC THAT, SHOULD SUCH COOPERATION COME ABOUT, ANY FUTURE LONG-TERM CONTRACTS WITH AEC PROVIDE TO THE UTILITY CUSTOMER THE RIGHT TO TRANSFER THE DEMAND TO THE EUROPEAN PLANT TO THE EXTENT NECESSARY TO ENSURE ITS FULL CAPACITY OPERATION.

"THE REQUEST THAT UTILITY MEMBERS OF OPEN BE PERMITTED TO TRANSFER COMMITMENTS UNDER NEW LONG-TERM ENRICHMENT CONTRACTS WITH AEC TO THE EUROPEAN PLANT WOULD RAISE SERIOUS LEGAL AND POLICY DIFFICULTIES SINCE IT IMPLIES THE RIGHT TO TERMINATE THE CONTRACT WITH AEC ON OTHER THAN OUR NORMAL TERMINATION PROVISIONS. IT WOULD APPEAR TO UNDERMINE THE PRIMARY PURPOSE OF OUR NEW CONTRACTING POLICIES, WHICH IS TO ESTABLISH FIRM COMMITMENTS FOR FUTURE DEMANDS TO HELP ASSURE THE FINANCING AND AMORTIZATION OF THE HEAVY INVESTMENT REQUIRED FOR THE CONSTRUCTION OF NEW ENRICHMENT CAPACITY. ACCORDINGLY, THE AEC

IS UNABLE TO PROVIDE ANY ASSURANCE AT THIS TIME THAT WE WOULD
BE ABLE TO ACCOMMODATE THIS REQUEST.

"REGARDING THE REQUEST FOR POSTPONEMENT FOR AT LEAST THREE
MONTHS OF THE DECEMBER 31, 1973, DEADLINE FOR EXECUTION OF NEW
LONG-TERM ENRICHMENT CONTRACTS WITH AEC BY THOSE UTILITIES
REQUIRING INITIAL DELIVERIES OF ENRICHED URANIUM PRIOR TO
JULY 1, 1978, THE U.S. POSITION REMAINS AS STATED IN TELEX
MESSAGES FROM MR

<< END OF DOCUMENT >>

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